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The Director of Central Intelligence

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National Intelligence Council

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MEMORANDUM FOR: Deputy Director of Central Intelligence

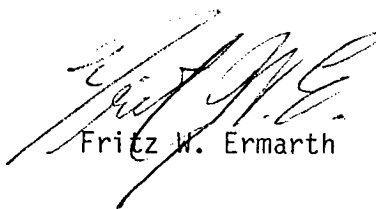
FROM: Fritz W. Ermarth
Chairman

SUBJECT: Ermarth Remarks on Soviet Affairs

Since coming back out to Headquarters, I've turned down most invitations to speak publicly on Gorbachevia, in the view that too many Sovietologists in one building could get us all in real trouble. I have had some off-the-record opportunities, however, for example the Defense Policy Board that Harry Rowen mentioned to you and a seminar at the Council On Foreign Relations run by Greg Treverton, 19 September. The attached notes convey the general line I'd been taking prior to the October Plenum. I think you will find it a useful and reinforcing counterpoint to your public remarks.

To judge from the carping of an unidentified "administration official" in Saturday's NYT [redacted], you have not heard the end of the complaining. The charge from that kind of critic that you are out to undermine the new US-Soviet amity by "writing Gorbachev" off is not particularly hurtful. I think you can expect some soto voce complaining from "good guys" in Moscow that your line is threatening to liberalization in the USSR (actually the contrary is true and can be forcefully argued). What may be most awkward to deal with is the charge that your line (and mine too) does not represent the majority view of CIA's more expert and studious Sovietologists. I think the right response is that your speeches are based fully on the detailed analysis by specialists on what is really happening in politics, economics, foreign policy, etc.; not on what people wish the outcome to be.

STAT


Fritz W. Ermarth

Attachment:
As stated

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NOTES FOR PRESENTATION TO CFR SEMINAR, 19 SEPTEMBER 1988.

*Psychic/moral
solving something
more intricate*

Gorbachev in power for more than three years. But if any prospect of success for own goals, only the beginning of another one of Russia's great efforts at reform, one of many going back to the founding of Russian state.

Political drama of glasnost is real and gripping. Yet to have practical impact on political, economic, and social structures of the system.

Cannot know what the outcome will be, and probably won't know for years. I'll return to the question of outcomes later, but need to state my belief that desired outcomes from the point of Western values and also Gorbachev's stated goals appear to be the least likely. In the past, reform eras have been superceded by counterreform, and the preservation of a system that is autocratic, xenophobic, and backward but powerful enough to threaten the outside world. We must remember that Western conceptions of a decent society and state are rooted in a cultural history going back to classical times. Russia largely missed that history and cannot recreate its effects in a generation.

For the United States and its allies, the key task of this period is to keep intact the minimum essential strategic and institutional structures for defense -- such as NATO, the TRIAD, forward deployments and bases -- while getting whatever sensible deals on security issues we can with a more accommodating Moscow. But we must keep our priorities straight. Structures for defense are more vital than deals with Moscow. This is because structures built on common values and interests have a better prospect of lasting than do deals when the political wind shifts.

Meanwhile, Soviet policy aims explicitly at dismantling the "Cold War" structures that have protected the West, in the short run clearly as part of the new detente it seeks, in the long run, we may speculate, as a grand geopolitical coup. The message is seductive and not entirely implausible. We are asked to accept that only by dismantling the structures of Cold War can the external conditions necessary for Soviet internal liberalization be created. But for us to go along with this great experiment means to gamble on an internal and external liberalization without precedent in Russian history.

As I suggested, the key challenge is keeping security structures intact while this era of Russian reform works itself out. How to do this is not my task here. Rather I want to elaborate on the uncertainties and potential threats that make this necessary.

Who is Gorbachev?

Mistake to personalize; but suitable to ask since reforms so identified with him. Mixture of the visionary and even naive with manipulative and machiavellian, like Khrushchev. Knows system is really sick, but has trouble really understanding why...or at least claims he had to become General Secretary to learn.

Lenin said no such thing as a sincerity meter in politics. I have no reason to doubt that Gorbachev is sincere in seeking a more just, tolerant, democratic society ~~with~~ ^{under} one-party rule because he has come to believe that is required to get what he's really after, greater efficiency and productivity.

He is a crafty politician. At the same time, he shares with the old Bolsheviks, it seems, a childish belief in the ability to mix attractive cultural traits at will and out of ~~their~~ historical context. He wants to create a population that combines American practicality, Japanese discipline, and Russian bravura. Beyond this, it's hard for me to say what he really believes in, what is conviction and what is ploy.

Ample features of his biography to put one on guard. Long-time apparatchik; supposedly a decent fellow, but hardly a reformer before 1985 (unlike many of his supporters); authoritarian personality even as he pleads liberation from this tradition; a Russian nationalist even though many of that persuasion are against him. Some dissidents have been asking whether Gorbachev could have stayed clean of corruption during the Brezhnev era. I don't know but am sure there are some in the Soviet Union who do.

His focus on successfully competing with the West is clear. But as with Khrushchev and other Russian leaders, it is not always clear how much of this is a desire to beat the West and how much to show the West or gain respect as a modern great power. I also sense a certain contempt for Western leaders because he does not understand democratic politics and has been raised in a politics dominated by "small group charisma" and conspiratorial skill.

Gorbachev the man does not embrace, so far as I can see, the political values held by many inside the USSR who are counting on him. There is a truly humane and liberal intelligentsia close to the Western tradition, e.g., Sakharov. These people of the 1960s -- shestidesyatniki -- are betting on Gorbachev because he is their last chance. They are a small minority even among the so-called intelligentsia, i.e., educated population. They now have a voice because Gorbachev needs their shouting. They have no power, and their support isn't worth much in itself. They are being used by Gorbachev, and fear that they will be betrayed as in the past. From ~~these few~~ private

conversations I have had with these people, I find them highly congenial in terms of values and views. But they are not loyal to Gorbachev nor optimistic about the prospects of reform.

Reform and the Power Struggle

[This is now out of date, but its judgments proved right!]

Even were Gorbachev and his associates closet Jeffersonians, which they are not, they could not escape the logic of Russian political culture and history. If reform is to take place (but not become riot or revolution) draconian dictatorial authority at the top is required. In an ironic decentralization of Stalin's system, Brezhnev allowed political power to leach out of the Kremlin into the partocracy. To accomplish anything, Gorbachev has to get it back.

His approach (I can't really call it a strategy) is to keep radicalizing the rhetorical agenda to mobilize popular pressures that legitimize his assault on the partocracy.

~~There seems to be some~~ disagreement among Kremlinologists as to how well he's doing. Some point to the collapse of most media taboos under glasnost, to new laws and directives on the economy, and to the effort to apply more democratic procedures in party and government elections as evidence that Gorbachev is grinding ahead. Others point to Gorbachev's failure to remake the Central Committee at the 19th Party Conference, its advertised goal, and get beyond words in the laws and directives as evidence that he's more or less stalemated, or worse.

with rising resentment

I am inclined toward the more negative assessment at present and also suspect that a crisis is brewing in which either Gorbachev will finally break through or possibly go under. In any case, the power struggle is the thing to watch. Until his personal power is consolidated, he can offer little except rhetoric, plans, and media excitement. He must neutralize Ligachev and put his man in charge of the KGB. Then he can move to remake the party bureaucracy. The current ploy is "all power to the Soviets" and to its would-be President, namely Gorbachev. Even though the general aim has been ratified, the gambit is so transparent that I doubt it will work. At some point, he will have to show real toughness, not tolerance, toward the minorities to gain the respect of ordinary Russians. The Yeltsin and Andreyeva affairs showed how vulnerable Gorbachev is, but also displayed his ability to dodge and recover. I would not bet against him in the short run: He has the initiative, the only thing that passes for a program, and the power of the General Secretaryship. But my main point on Kremlin politics is this: Gorbachev's future is a gamble at best.

Reform and the Economy

Whatever the state of Kremlin politics, the process of economic reform and revival is clearly bogged down. It never really took off. The original approach was to concentrate on machine tools to modernize the capital stock. That did not work. Priority is now shifting to agricultural liberalization and to the consumer, for obvious reasons. Reform needs a motivated worker who needs things to work for, especial food, which must come from more independent farmers. It's an open question whether this ignition sequence can be accomplished.

More basically, it's an open question whether the Soviet economy -- or any system of essentially Stalinist origin -- can be truly and conclusively reformed. None so far has been. The jury is still out on China (and it's unique anyway). In the USSR, the obstacles to economic revival are built into the political culture as well as the political ~~system~~ ^{system}. Freeing the farmer is a much less workable approach to kickstarting revival in the USSR than in China because Stalin so much more thoroughly destroyed the peasantry. Most of the population has attitudes deeply hostile to economic revival: cynicism, a penchant for robbing the state, resentment of neighbor's wealth, fear of spontaneity of any kind, ethnic hostility, etc. Above all, real reform would mean redistribution of economic and hence political power and itself constitute a revolution in the power structure. Those who have power now would be divested of power, privilege, and prosperity. Tell me again how that is to be done.

Many in the USSR and the West believe a sharp cut in Soviet defense effort could rescue the economy and reforms and that, therefore, this path will be chosen. I believe that the relationship between defense and economic reform is more enigmatic and complex. If quality defense resources are diverted to an unreformed civilian sector, they are likely to be lost while the defense-industrial sector itself shrinks in size. Hence the Soviet inclination to task defense industries to make civilian products as a major side line, perhaps more efficiently and preserving of the base.

If the economic management systems is successfully reformed, however, the biggest source of resources for growth lies not in the relatively efficient defense sector but in the wasteful civilian investment sector. I personally expect reductions in Soviet resource flows to defense, which may eventually show up in slowed modernization rates, and also some cuts in active force structure. What good this will do the economy will depend on the success of prior reforms. Whether it will materially diminish the Soviet military threat remains to be seen and in any case the net effect on Western security will depend on what the US and its allies

are doing, on the long-term political direction of Soviet foreign policy, and other things.

It is well to remember the old saying: "Russia is never as strong or as weak as she looks." It seems quite possible for the USSR to become a somewhat more effective competitor with modest reform and system preservation. [Even a somewhat weaker USSR could pose dangerous challenges. I am not sure what kind of an international actor a truly reformed or liberal USSR would be. But the objective potential of the USSR to challenge the West militarily, it seems to me, would only be removed by protracted internal crisis or social revolt.]

Foreign Policy: "New Thinking" for Old Goals

Gorbachev's foreign policy has been much more successful so far than his efforts at reform at home. I disagree with my friend Steve Sestanovich who describes him as conducting a foreign policy of decline. There have been retreats and retrenchments from lost or stupid causes, but on the whole his policy has been aggressive politically and quite realistic. If a conservative reaction or social revolt can be avoided at home, Gorbachev's approach to foreign policy can markedly increase Soviet international influence in the years ahead.

He has been very successful in deflating the image of threat projected and perceived by the USSR. This has helped him at home to some extent after the tensions of the early 1980s. He has made a fine art of accepting his adversaries' agendas and turning it against their need to maintain political balance; diplomatic jiu-jitsu. We see better tactics, rhetoric, propaganda, and simple human behavior from the Soviet foreign affairs cadre. He has presided over an implicit revision of the Soviet foreign affairs ideology in the direction of compromise, away from "class struggle", for example...although this has now become a political issue internally. He has assigned a high priority to avoiding the shocks that derailed detente in the past; this is the main aim of military-to-military contacts from the Soviet point of view.

In the West, most notably in Europe, Gorbachev has already made great if not permanent gains. He has fairly garnered much of the credit for the fact that East-West relations are currently in safer condition than only a few years ago.

Reality on the ground so to speak, however, still shows a lot of continuity in the aims, priorities, and even the inhibitions of Soviet foreign policy. What I would call its architecture.

was 3 tech rarely on the cutting edge.

dangerous even if effective

reform??

start-pun

The USSR still struggles for acceptance as a superpower, membership in the community of advanced nations and access to technology and capital via detente. Its strategy toward the West is still based on a sylogism of "peace requires arms control requires detente," which in turn rests on an implicit threat that Soviet arms could be used. If arms control were to cease for some reason to be a salient East-West concern -- for example, if the political credibility of the Soviet threat totally disappeared, the USSR would not have much of a foreign policy toward the West.

In Europe, we see primarily the "peace-arms control-detente" line. The "common home" theme hasn't yet translated into a new geopolitical line, a new line on the German question, or on the political division of Europe.

Soviet Third World policy is in flux. Cost and risk limitation is the order of the day, but it still rests on arms transfers and support to Leninist and other radical clients. The USSR is open to conflict settlements, but not unnaturally wants to avoid jettisoning clients where possible. It seems reluctant about new commitments, but hasn't seen any truly tempting opportunity lately. It is giving more emphasis to normal relations with the more important developing countries, but it offers too little to make this an enduring strategic policy direction.

Gorbachev seeks detente with China and a wider diplomatic role in Asia, as did Brezhnev, but more flexibly and appealingly. And Asia reacts more flexibly and confidently, but not sentimentally.

I don't see strategic shifts Soviet policy yet. Many familiar inhibitions remain intact: German division, East Europe, Japan's islands, relations with Israel. It may be in the Middle East where we see real structural change to Soviet policy. But policy shifts on the scale of Rapallo (1922), popular front (1935), the Hitler-Stalin Pact (1939), or Khrushchev's outreach of the mid-1950s, have not been seen yet.

infused
Soviet troop withdrawal from Afghanistan and the INF agreement are often cited as harbingers of major foreign policy change. They are dramatic developments in themselves, but not clear what they are harbingers of. Pragmatic, imaginative responses to defeat of prior policies. Soviets likely to continue to contest for influence in Afghanistan; reluctant to ditch other clients unless forced to. What the INF agreement says about Soviet aims depends on whether you believe stabilization or denuclearization to be the goal.

We should not rule out more fundamental and positive change in Soviet foreign policy because we have not seen it yet.

Blown back by, say, East Europe.

But I do not expect the basic aim of Soviet postwar policy to change: To get the US out of and the USSR into the dominant political position on the periphery of Eurasia. Dismantling the Cold War structure of alliances, bases, and forces in the West would accomplish this...unless either the USSR collapses, or truly liberalizes both domestic and foreign affairs, or Europe and Japan become strong military guarantors...none of which seems probable.

Military Strategy and Arms Control: Toward a New Strategic Architecture

In Soviet military strategy and its supporting service, arms control, I see ~~some~~ evolution toward a new strategic architecture. Some find it comforting; I tend to take a more worried view of what the Soviets seem to be aiming for. The question is whether they can pull it off politically or pay for what they're after economically.

There clearly are politically serious debates surrounding military policy:

Whether soundly based economically or not, there is a serious desire in the regime to constrain military spending in favor of economic revival and future technological modernization of Soviet forces.

Civilian academics are promulgating self-limiting slogans such as "reasonable sufficiency", "defensive defense", and even unilateral cuts to promote this internally and to appeal to the West. The military accept -- and participate in -- the appeal to the West, but fear the internal consequences of this sloganeering.

The most important shift in strategic thinking, in my view, began before Gorbachev and seems still to continue. This is the marginal but significant shift of emphasis from nuclear to advanced conventional arms, the Ogarkov line. If this modern Tukhachevsky had his way, the USSR would retain its Eurasian military preponderance but end up with a more usable mix of conventional and nuclear forces, especially in Europe. For him to have his way, however, the USSR must succeed in discrediting US nuclear guarantees and raising the technological level of its industry.

Arms control processes, politics, and agreements can help service all these aims, especially by creating more predictable planning environments and a more relaxed West. It is especially helpful in discrediting US nuclear power and inhibiting its most revolutionary technology options, such as SDI and so-called CDI.

None of these forebodings guarantee outcomes. Soviet diplomacy advertises a benign outcome. More stable, but

lower force levels. A shift toward political cooperation along established geopolitical lines. Confidence building measures and dialogue; a fading of threat images.

But more threatening outcomes are entirely plausible, and implicit in much of what the Soviets are doing and saying: Continued Soviet conventional dominance in Europe, but based more on smaller more modern active forces, mobilization base, and geography; still robust nuclear forces for negating US nuclear guarantees in peace and war, and with interesting options for advantage arising as forces are cut; plus erosion of NATO's defenses and cohesion.

Conclusions

Conclude by speculating on possible different outcomes of this era of reform in the USSR and what they might mean for the West.

In some ways the most forbidding is Gorbachev's own vision: A Soviet system that works. It might be a nicer place to live in, but not necessarily a nicer one to live next to. For a lot of reasons about which our Founders spoke more eloquently than I can, I think this is the least likely outcome.

Next least likely, in my view, is the most desired by the West and the liberal Soviet intelligentsia: A true Rechtstaat of laws, pluralistic participation, and tight restraints on the power of the state at home and abroad. This state would be nice to live in and next to, but is unlikely to emerge from such hostile soil without long cultivation and revolutions with good outcomes.

I think the most likely outcome is a conservative reaction that preserves the internal and external nature of the system largely as we have known it: autocratic, xenophobic, and backward but powerful enough to threaten. The changes now taking place in the politics of the USSR do not rule this out, as many Soviets warn us. Rather they set up a grim logic by which, the farther things go down the path of glasnost, the more profound and even violent must be the reaction to preserve the system. What this might mean for Western security is, however, unclear. It could mean an inward looking, risk averse tyranny as often in the past; or more adventuresome self-legitimizing external behavior.

Other possibilities exist. One very good Sovietologist I know predicts the USSR will become something like Yugoslavia is today, a circus of ethnic squabbles that barely gets along.

Then there is the possibility of real political and social revolution at some time in the future. Though seemingly far,

fetches, this possibility raises some interesting questions: What happens to Soviet nuclear forces during a revolution? Can social revolution produce a decent polity in a country that has never known one?

Amidst these macro-uncertainties, I think one can say a few things with confidence as guides to Western security policy:

First, nothing much we do toward the USSR is going to more than marginally influence the internal outcomes. Our best contribution to healthy ones is to exist as appealing, capable of self-defense, and without posing a palpable threat to ordinary Soviet people.

Second, under almost any circumstances the USSR is going to harbor enough power and some political forces capable of presenting ~~profound~~ dangers to the West. Russia does not have to become number one technologically to be a threat.

Third, and most immediate, unless the USSR falls into a debilitating internal political crisis, we can expect a more formidable foreign policy challenge throughout the Gorbachev era and probably enough economic/technology progress to keep the USSR as credible a military threat as it has been since World War II. All this in the context of diplomacy abroad and reform at home that remove the appearance of threat.

Western steadiness in maintaining strategic and institutional structures for defense and peace will be key to the prospect for good outcomes and avoiding profound East-West instabilities. How that steadiness is maintained and at what level it is exercised, while pursuing a healthy engagement with Gorbachev's USSR, is the challenge to Western statescraft. Sound familiar?